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IDENTICAL LETTERS DATED 24 JULY 1998 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL AND TO THE PRESIDENT OF THE SECURITY COUNCIL

On instructions from my Government, I have the honour to transmit to you herewith a letter dated 23 July 1998 from Mr. Mohammed Said Al-Sahhaf, Minister for Foreign Affairs of the Republic of Iraq. It concerns the poor performance of United Nations agencies in implementing that part of the oil-for-food programme that relates to Iraq's three northern governorates (Irbil, Dohuk and Sulaymaniyah) and the need for consultations between the Iraqi governmental executing institutions and those agencies with a view to reaching agreement on the optimal modality for achieving the level of implementation required for the programme, in the same way that agreement was reached with regard to the bulk purchase of food and medicines.

I should be grateful if you would have the present letter and its annex circulated as a document of the Security Council.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

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Annex

Identical letters dated 23 July 1998 from the Minister for Foreign Affairs of Iraq addressed to the Secretary-General and to the President of the Security Council

Mr. Benon V. Sevan, Executive Director of the Iraq Programme of the United Nations Secretariat, must have informed you in detail of the results of his visit to Iraq from 22 June to 3 July 1998. He must also have provided you with the details of his meetings with senior Iraqi officials and, in particular, with those of his meeting with Mr. Taha Yasin Ramadan, Vice-President of the Republic, including His Excellency's comments on the poor performance of the United Nations agencies in implementing that part of the plan that relates to the country's three northern governorates, namely Irbil, Dohuk and Sulaymaniyah.

I therefore feel it necessary to present to you hereunder the detailed comments of the Government of the Republic of Iraq on this matter.

In accordance with paragraph 3 of the annex to the memorandum of understanding of 20 May 1996, the Government of Iraq procures all of Iraq's requirements for the three northern governorates in only two sectors, food and medicine, while United Nations agencies, each in accordance with its own field of specialization and acting on behalf of the Government of Iraq, procures the other items covered by the memorandum of understanding for the sectors of agriculture, electricity, education, rehabilitation, resettlement, water and sanitation, and mine clearance as they relate to those governorates.

As all the United Nations agencies can testify, practical and tangible experience has demonstrated that there is meticulous performance and a high standard of implementation in the food and medicine sectors, where Iraq's Ministry of Trade and Ministry of Health have assumed the task of importing and distributing all of the country's needs in terms of food and medicine under the procurement and distribution plans in effect while the specialized agencies have undertaken such implementation in the other sectors.

In your periodic reports to the Security Council on the implementation of the three procurement and distribution plans, you have referred to the fact that the governmental institutions are performing the tasks assigned to them under the terms of the memorandum of understanding in an excellent manner despite the numerous obstacles and impediments there have been to the rapid and smooth approval of and provision of financial coverage for contracts for the items included in those plans.

In contrast, a rapid glance at the levels of performance and implementation of the United Nations agencies involved in the implementation of that section of the plans that relates to the three northern governorates reveals the painful fact of the poor performance of these agencies. In some sectors, it is at a level that approaches zero for all three previous phases of the procurement and distribution plans despite the higher percentage of approvals by the 661 Committee for contracts relating to the various sectors in the northern governorates than for other contracts. This is also despite the large-scale

mobilization of international and local officials who are entrusted with the implementation process at the expense of the Iraqi people. The table presented hereunder shows the levels of implementation by the United Nations agencies in all sectors in the three northern governorates for phase I, which ended more than one year ago, and phase II, which ended more than six months ago.

Agriculture	Executing agency	Amount allocated in the plan	Percentage of contract amount approved by 661 Committee	Percentage of items received	Percentage execution
Phase I	FAO	20.11	97.12	87.77	42.86
Phase II	FAO	26.00	97.42	24.85	3.77
Electricity	**Executing agency**	**Amount allocated in the plan**	**Percentage of contract amount approved by 661 Committee**	**Percentage of items received**	**Percentage execution**
Phase I	UNDP	23.27	88.61	10.14	2.19
Phase II	UNDP	19.30	91.55	0	0
Education	**Executing agency**	**Amount allocated in the plan**	**Percentage of contract amount approved by 661 Committee**	**Percentage of items received**	**Percentage execution**
Phase I	UNESCO	5.15	4.77	62.72	30.29
	UNICEF	10.00	9.50	36.10	32.20
Phase II	UNESCO	5.00	1.80	0	0
	UNICEF	10.00	91.50	0.59	0
Health rehabilitation	**Executing agency**	**Amount allocated in the plan**	**Percentage of contract amount approved by 661 Committee**	**Percentage of items received**	**Percentage execution**
Phase I	UNICEF	3.70	97.57	58.11	54.05
	WHO	6.40	97.97	70.31	58.44
Phase II	UNICEF	3.70	84.43	2.7	0
	WHO	6.00	91	0	0
Water and sanitation	**Executing agency**	**Amount allocated in the plan**	**Percentage of contract amount approved by 661 Committee**	**Percentage of items received**	**Percentage execution**
Phase I	UNICEF	20.20	91.49	35.35	17.87
Phase II	UNICEF	19.61	96.63	0.41	0.06
Resettlement	**Executing agency**	**Amount allocated in the plan**	**Percentage of contract amount approved by 661 Committee**	**Percentage of items received**	**Percentage execution**
Phase I	Habitat	12.00	30.08	65.17	55.67
Phase II	Habitat	6.00	9	75.33	0

Mine clearance	Executing agency	Amount allocated in the plan	Percentage of contract amount approved by 661 Committee	Percentage of items received	Percentage execution
Phase I	Demining	2.50	36.40	76.40	76.40
Phase II	Demining	2.00	22.50	0	0

The figures and rates I have given you demonstrate conclusively that these agencies are incapable of meeting this responsibility. Iraq is not a refugee camp, and it is not a State in the process of formation. You are therefore well aware that Iraqi governmental institutions are deep-rooted and that they act in response to the needs of Iraqi citizens in all parts of the country in an integrated manner and with a high degree of efficiency and expertise. The United Nations agencies have manifestly failed to implement, on behalf of the Iraqi Government, that part of the plan that relates to the three governorates of northern Iraq. The percentages given for execution in the foregoing table confirm that the completion rates for the United Nations Development Programme (UNDP) in the electricity sector were 2.19 per cent in phase I and zero per cent in phase II. We can also say that it has been zero per cent in phase III. At the same time, the 661 Committee approved 88.61 per cent of the electricity-related contracts for phase I and 91.55 per cent of those for phase II. This means that the execution rate for UNDP, which has been assigned the electricity sector in the northern region, has been approximately zero per cent over an 18-month period.

The situation with respect to the level of implementation by UNESCO and UNICEF in the education sector is similar, inasmuch as their implementation rate for phase I did not surpass 30 per cent while that for phase II has been zero per cent. This extends to the performance of the United Nations agencies in the water and sanitation sectors, which is handled by UNICEF, and the resettlement sector, which is handled by the United Nations Centre for Human Settlements (Habitat), where the highest rates of implementation do not surpass 50 per cent at best.

At the same time, some 2.2 per cent of the total amount for the procurement and distribution plans, or more than 200 million dollars, has been allocated for purposes of implementation and for disbursement on administrative costs that include expenditures on the United Nations officials involved and on other items. I wonder, Mr. Secretary-General, whether it would not have been better to allocate this huge sum for the provision of further quantities of food, medicine and humanitarian supplies for the generality of the people of Iraq rather than for disbursement on agencies that claim to be of a humanitarian character while endeavouring with all the capacities they possess to suppress the humanity of the Iraqis in the northern governorates while using the wealth of the Iraqi people itself to do so.

As it expresses its dissatisfaction with this state of affairs, the Government of the Republic of Iraq, in a genuine desire to achieve the best possible rates of implementation in the three northern governorates, considers that there should be consultations between the Iraqi governmental executing

institutions and the relevant specialized agencies with a view to reaching agreement on the optimal modality for achieving this objective. This could be done in the same way that agreement was reached on the bulk purchase of food and medicines that has proved so highly capable of implementation.

We request that this matter be accorded the necessary importance before the opportunity is lost of finding a speedy solution for the collaboration of these agencies with the Iraqi authorities in accordance with an expeditious and serious plan for all sectors but particularly the electricity sector. We stand ready to consider any proposals you may have on this matter.

(Signed) Mohammed Said AL-SAHHAF
Minister for Foreign Affairs
of the Republic of Iraq